

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
First Regular Session  
2009

# HOUSE BILL 2043

## AN ACT

AMENDING SECTIONS 10-125, 10-203, 10-224, 10-504, 10-1006, 10-1007, 10-1008, 10-1105, 10-1403, 10-1420, 10-1503, 10-1510, 10-1520, 10-2019 AND 10-2077, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2084; AMENDING SECTION 10-2143, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2150; AMENDING SECTIONS 10-3125, 10-3203, 10-3224, 10-3504, 10-11006, 10-11007, 10-11008, 10-11105, 10-11107, 10-11403, 10-11503, 10-11510, 10-11520, 29-603, 29-609, 29-633, 29-634 AND 29-635, ARIZONA REVISED STATUTES; RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 10-125, Arizona Revised Statutes, is amended to  
3 read:

4 10-125. Filing duty of commission

5 A. At the time of delivery of a document to the commission, the  
6 commission shall stamp, endorse or attach the date and time of delivery of  
7 the document.

8 B. The commission shall file a document delivered to the commission  
9 for filing if both of the following apply:

10 1. The commission determines that the document satisfies the  
11 requirements of chapters 1 through 17 of this title.

12 2. The corporation filing the document or on whose behalf the document  
13 is being filed, ~~is~~ is in good standing within the meaning of section 10-128 ~~or~~  
14 ~~10-3128~~.

15 C. The commission may file a document delivered to the commission in  
16 which either the corporation has filed articles of dissolution or the  
17 corporation has filed a document that is required to bring the corporation  
18 into good standing. The commission shall deliver a document copy to the  
19 domestic or foreign corporation or its representative.

20 D. If the commission refuses to file a document, it shall return it or  
21 a copy of the original to the domestic or foreign corporation or its  
22 representative within five days after the determination of refusal to file,  
23 together with a brief written explanation of the reason for the refusal.

24 E. The filing or refusing to file a document by the commission does  
25 not:

26 1. Affect the validity or invalidity of the document in whole or part,  
27 except to the extent that filing is required to make the document valid.

28 2. Relate to the correctness or incorrectness of information contained  
29 in the document.

30 3. Create a presumption that the document is valid or invalid or that  
31 information contained in the document is correct or incorrect.

32 Sec. 2. Section 10-203, Arizona Revised Statutes, is amended to read:

33 10-203. Incorporation

34 A. Unless a delayed effective date is specified in the articles of  
35 incorporation, incorporation occurs and the corporate existence begins when  
36 the articles of incorporation and certificate of disclosure are delivered to  
37 the commission for filing.

38 B. The commission's filing of the articles of incorporation and  
39 certificate of disclosure is conclusive proof that the incorporators  
40 satisfied all conditions precedent to incorporation except in a proceeding by  
41 the state to cancel or revoke the incorporation or involuntarily dissolve the  
42 corporation pursuant to chapter 14 of this title.

43 C. Subject to section 10-124, if the commission determines that the  
44 requirements of chapters 1 through 17 of this title for filing have not been  
45 met, the articles of incorporation and certificate of disclosure shall not be

1 filed and the corporate existence terminates at the time the commission  
2 completes the determination. If the corporate existence is terminated  
3 pursuant to this subsection, sections 10-1405, 10-1406 and 10-1407 apply.

4 D. Within sixty days after the commission ~~has approved~~ APPROVES the  
5 filing, a copy of the articles of incorporation shall be published. An  
6 affidavit evidencing the publication ~~shall~~ MAY be filed with the commission  
7 ~~within ninety days after approval by the commission of the filing of the~~  
8 ~~articles of incorporation.~~

9 Sec. 3. Section 10-224, Arizona Revised Statutes, is amended to read:

10 ~~10-224.~~ Recording and publication of articles of domestication

11 Within sixty days after the commission ~~has approved~~ APPROVES the filing  
12 of the articles of domestication, a copy of the articles of domestication  
13 shall be published. An affidavit evidencing the publication may be filed  
14 with the commission ~~within ninety days after approval by the commission of~~  
15 ~~the filing of the articles of domestication.~~ If other laws require the  
16 domesticated corporation to record its articles of incorporation, the  
17 domesticated corporation shall also record the articles of domestication.

18 Sec. 4. Section 10-504, Arizona Revised Statutes, is amended to read:

19 ~~10-504.~~ Service on corporation

20 A. The statutory agent appointed by a corporation is an agent of the  
21 corporation on whom process, notice or demand that is required or permitted  
22 by law to be served on the corporation may be served and that, when so  
23 served, is lawful personal service on the corporation.

24 B. If a corporation fails to appoint or maintain a statutory agent at  
25 the address shown on the records of the commission, the commission is an  
26 agent of the corporation on whom process, notice or demand may be served.  
27 Pursuant to the Arizona rules of civil procedure, service on the commission  
28 of any process, notice or demand for an entity that is registered pursuant to  
29 this title shall be made by delivering to and leaving with the commission  
30 duplicate copies of the process, notice or demand, and the commission shall  
31 immediately cause one of the copies of the process, notice or demand to be  
32 forwarded by mail, addressed to the corporation at its known place of  
33 business. Service made on the commission is returnable pursuant to  
34 applicable law relative to personal service on the corporation. If service  
35 is made on the commission, whether under this chapter or a rule of court, the  
36 corporation has thirty days to respond in addition to the time otherwise  
37 provided by law.

38 C. The commission shall keep a permanent record of all processes,  
39 notices and demands served on it under this section and shall record in the  
40 record the time of the service and its action with reference to the service.

41 D. NOTICE REQUIRED TO BE SERVED ON A CORPORATION PURSUANT TO SECTION  
42 10-1421 OR 10-1422 MAY BE SERVED:

43 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE CORPORATION OR, IF  
44 THE CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO

1 THE KNOWN PLACE OF BUSINESS REQUIRED TO BE MAINTAINED PURSUANT TO SECTION  
2 10-501.

3 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE  
4 ARIZONA RULES OF CIVIL PROCEDURE.

5 Sec. 5. Section 10-1006, Arizona Revised Statutes, is amended to read:  
6 10-1006. Articles of amendment

7 A. A corporation amending its articles of incorporation shall deliver  
8 to the commission for filing articles of amendment setting forth:

9 1. The name of the corporation.

10 2. The text of each amendment adopted.

11 3. If an amendment provides for an exchange, reclassification or  
12 cancellation of issued shares, provisions for implementing the amendment if  
13 not contained in the amendment itself.

14 4. The date of each amendment's adoption.

15 5. If an amendment was adopted by the incorporators or board of  
16 directors without shareholder action, a statement to that effect and that  
17 shareholder action was not required.

18 6. If an amendment was approved by the shareholders:

19 (a) The designation of outstanding shares, number of outstanding  
20 shares, number of votes entitled to be cast by each voting group entitled to  
21 vote separately on the amendment and number of votes of each voting group  
22 indisputably represented at the meeting.

23 (b) Either the total number of votes cast for and against the  
24 amendment by each voting group entitled to vote separately on the amendment  
25 or the total number of undisputed votes cast for the amendment by each voting  
26 group and a statement that the number cast for the amendment by each voting  
27 group was sufficient for approval by that voting group.

28 B. Within sixty days after the commission ~~has approved~~ APPROVES the  
29 filing, a copy of the articles of amendment shall be published. An affidavit  
30 evidencing the publication may be filed with the commission ~~within ninety~~  
31 ~~days after approval by the commission of the filing of the articles of~~  
32 ~~amendment.~~

33 Sec. 6. Section 10-1007, Arizona Revised Statutes, is amended to read:  
34 10-1007. Restated articles of incorporation

35 A. A corporation's board of directors may restate its articles of  
36 incorporation at any time with or without shareholder action.

37 B. The restatement may include one or more amendments to the articles.  
38 If the restatement includes an amendment requiring shareholder approval, it  
39 shall be adopted as provided in section 10-1003.

40 C. If the board of directors submits a restatement for shareholder  
41 action, the corporation shall notify each shareholder, whether or not  
42 entitled to vote, of the proposed shareholders' meeting in accordance with  
43 section 10-705. The notice shall also state that the purpose or one of the  
44 purposes of the meeting is to consider the proposed restatement and shall

1 contain or be accompanied by a copy of the restatement that identifies any  
2 amendment or other change it would make in the articles.

3 D. A corporation restating its articles of incorporation shall deliver  
4 to the commission for filing articles of restatement setting forth the name  
5 of the corporation and the text of the restated articles of incorporation  
6 together with a certificate setting forth:

7 1. Whether the restatement contains an amendment to the articles  
8 requiring shareholder approval and, if it does not, that the board of  
9 directors adopted the restatement.

10 2. If the restatement contains an amendment to the articles requiring  
11 shareholder approval, the information required by section 10-1006.

12 E. Duly adopted restated articles of incorporation supersede the  
13 original articles of incorporation and all amendments to them.

14 F. The commission may certify restated articles of incorporation, as  
15 the articles of incorporation currently in effect, without including the  
16 certificate information required by subsection D of this section.

17 G. Within sixty days after the commission ~~has approved~~ APPROVES the  
18 filing, a copy of the articles of restatement shall be published. An  
19 affidavit evidencing the publication may be filed with the commission ~~within~~  
20 ~~ninety days after the approval by the commission of the filing of the~~  
21 ~~articles of restatement.~~

22 Sec. 7. Section 10-1008, Arizona Revised Statutes, is amended to read:

23 10-1008. Amendment pursuant to reorganization

24 A. A corporation's articles of incorporation may be amended pursuant  
25 to this section without action by the board of directors or shareholders to  
26 carry out a plan of reorganization confirmed by an order or decree of a court  
27 of competent jurisdiction under a federal statute or a statute of this state  
28 if the articles of incorporation after amendment contain only provisions  
29 required or permitted by section 10-202.

30 B. Before the date of entry of a final decree in the reorganization  
31 proceeding, the individual or individuals designated by the plan shall  
32 deliver to the commission for filing articles of amendment setting forth all  
33 of the following:

34 1. The name of the corporation.

35 2. The text of each amendment contained in the plan of reorganization.

36 3. The date of the court's order or decree confirming the plan of  
37 reorganization containing the articles of amendment.

38 4. The title of the reorganization proceeding in which the order or  
39 decree was entered.

40 5. A statement that the court had jurisdiction of the proceeding under  
41 federal or state statute.

42 C. Shareholders of a corporation undergoing reorganization do not have  
43 dissenters' rights except as and to the extent provided in the reorganization  
44 plan.

1 D. This section does not apply after entry of a final decree in the  
2 reorganization proceeding even though the court retains jurisdiction of the  
3 proceeding for limited purposes unrelated to consummation of the  
4 reorganization plan.

5 E. Within sixty days after the commission ~~has approved~~ APPROVES the  
6 filing, a copy of the articles of amendment shall be published. An affidavit  
7 evidencing the publication may be filed with the commission ~~within ninety~~  
8 ~~days after approval by the commission of the filing of the articles of~~  
9 ~~amendment.~~

10 Sec. 8. Section 10-1105, Arizona Revised Statutes, is amended to read:  
11 10-1105. Articles of merger or share exchange; publication

12 A. After a plan of merger or share exchange is approved by the  
13 shareholders or adopted by the board of directors if shareholder approval is  
14 not required, the surviving or acquiring corporation shall deliver to the  
15 commission for filing both:

16 1. The plan of merger or share exchange.

17 2. Articles of merger or share exchange setting forth:

18 (a) The names of the corporations that were parties to the merger or  
19 share exchange.

20 (b) The name and address of the known place of business of the  
21 surviving or acquiring corporation.

22 (c) The name and address of the statutory agent of the surviving or  
23 acquiring corporation.

24 (d) Any amendments to the articles of incorporation of the surviving  
25 corporation.

26 (e) If shareholder approval was not required, a statement to that  
27 effect.

28 (f) If approval of the shareholders of one or more corporations party  
29 to the merger or share exchange was required:

30 (i) The designation, number of outstanding shares and number of votes  
31 entitled to be cast by each voting group entitled to vote separately on the  
32 plan as to each corporation.

33 (ii) Either the total number of votes cast for and against the plan by  
34 each voting group entitled to vote separately on the plan or the total number  
35 of undisputed votes cast for the plan separately by each voting group and a  
36 statement that the number cast for the plan by each voting group was  
37 sufficient for approval by that voting group.

38 B. A merger or share exchange takes effect at the effective time and  
39 date of the articles of merger or share exchange, as determined pursuant to  
40 section 10-123.

41 C. If the articles of merger include amendments to the articles of  
42 incorporation of the surviving corporation, the document required to be filed  
43 and published under this section shall be styled "articles of amendment and  
44 merger".

1 D. Within sixty days after the commission ~~has approved~~ APPROVES the  
2 filing, a copy of the articles of merger or share exchange shall be  
3 published. An affidavit evidencing the publication may be filed with the  
4 commission ~~within ninety days after approval by the commission of the filing~~  
5 ~~of the articles of merger or share exchange.~~

6 Sec. 9. Section 10-1403, Arizona Revised Statutes, is amended to read:  
7 10-1403. Articles of dissolution; effective date of dissolution

8 A. At any time after dissolution is authorized, the corporation may  
9 dissolve by delivering to the commission for filing articles of dissolution  
10 setting forth all of the following:

11 1. The name of the corporation.

12 2. The date dissolution was authorized.

13 3. If dissolution was approved by the shareholders, both:

14 (a) The number of votes entitled to be cast on the proposal to  
15 dissolve.

16 (b) Either the total number of votes cast for and against dissolution  
17 or the total number of undisputed votes cast for dissolution and a statement  
18 that the number cast for dissolution was sufficient for approval.

19 4. If voting by voting groups was required, the information required  
20 by paragraph 3 shall be separately provided for each voting group entitled to  
21 vote separately on the plan to dissolve.

22 B. A corporation is dissolved on the effective date of its articles of  
23 dissolution.

24 C. The articles of dissolution shall not be considered complete until  
25 the commission has received a notice from the department of revenue to the  
26 effect that the tax levied under title 42, chapter 5, article 1 against the  
27 corporation has been paid, or until it is notified by the department of  
28 revenue that the corporation is not subject to the tax and until the  
29 commission has received from the department of revenue its certificate issued  
30 pursuant to section 43-1151.

31 D. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY  
32 OF THE ARTICLES OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING  
33 THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

34 ~~D- E.~~ E. The articles of dissolution shall not be considered complete  
35 until all fees, penalties and costs required to be paid under this title have  
36 been paid ~~and until the commission has received an affidavit that a copy of~~  
37 ~~the articles of dissolution has been published.~~

38 Sec. 10. Section 10-1420, Arizona Revised Statutes, is amended to  
39 read:

40 10-1420. Grounds for administrative dissolution

41 The commission may commence a proceeding under section 10-1421 to  
42 administratively dissolve a corporation if either:

43 1. The corporation does not pay within sixty days after they are due  
44 any fees or penalties imposed by chapters 1 through 17 of this title.

1           2. The corporation does not deliver its annual report to the  
2 commission within sixty days after it is due.

3           3. The corporation is without a statutory agent or known place of  
4 business in this state for sixty days or more.

5           4. The corporation does not notify the commission within sixty days  
6 that its statutory agent or known place of business has been changed, that  
7 its statutory agent has resigned or that its principal office has been  
8 discontinued.

9           5. The corporation has failed to make any publication required by this  
10 title, provided the commission has notified the corporation of the intent of  
11 the commission to commence a dissolution proceeding for that reason and the  
12 corporation has failed to file an affidavit of publication or other  
13 appropriate evidence of publication within sixty days after that notice.

14           6. The corporation's period of duration stated in its articles of  
15 incorporation expires.

16           7. The corporation has failed to comply with section 10-202,  
17 subsection F.

18           8. Any officer or other representative of the corporation has made any  
19 misrepresentation of a material matter in any application, report or other  
20 document submitted by the corporation pursuant to chapters 1 through 17 of  
21 this title.

22           9. The corporation has failed to comply with section 10-1403,  
23 ~~subsection~~ SUBSECTIONS D AND E, or the commission has not received the notice  
24 required by section 10-1403, subsection C, within six months after filing  
25 articles of dissolution.

26           10. The corporation has failed to file a certificate of disclosure or  
27 answer interrogatories as prescribed in chapters 1 through 17 of this title.

28           11. The corporation failed to comply with section 10-1623,  
29 subsection A.

30           Sec. 11. Section 10-1503, Arizona Revised Statutes, is amended to  
31 read:

32           10-1503. Application for authority to transact business

33           A. A foreign corporation may apply for authority to transact business  
34 in this state by delivering an application and a certificate of disclosure to  
35 the commission for filing. The certificate of disclosure shall contain the  
36 information set forth in section 10-202, subsection D and is subject to the  
37 requirements of section 10-202, subsection F. The application shall be  
38 executed by the corporation and shall set forth:

39           1. The name of the foreign corporation and, if its name is unavailable  
40 for use in this state, a corporate name that satisfies the requirements of  
41 section 10-1506.

42           2. The name of the state or country under whose law it is  
43 incorporated.

44           3. Its date of incorporation and period of duration.



1           4. The street address of its principal office in its state or country  
2 of incorporation.

3           5. The street address of the proposed known place of business of the  
4 corporation in this state and the name and street address of its proposed  
5 statutory agent in this state.

6           6. If its purpose or purposes are narrower than the transaction of any  
7 or all lawful business in which corporations may engage in the state or  
8 country under whose law it is incorporated, a statement of the limitations on  
9 its purpose.

10          7. The names and usual business addresses of its current directors and  
11 officers.

12          8. A statement of the aggregate number of shares that the corporation  
13 has authority to issue, itemized by classes, par value of shares, shares  
14 without par value and series, if any, within a class.

15          9. A statement of the aggregate number of issued shares itemized by  
16 classes, par value of shares, shares without par value and series, if any,  
17 within a class.

18          10. A brief statement of the character of business that the corporation  
19 initially intends actually to conduct in this state. This statement does not  
20 limit the character of business that the corporation ultimately conducts.

21          B. The foreign corporation shall deliver the application and the  
22 certificate of disclosure to the commission, together with a copy of its  
23 articles of incorporation, any amendments to the articles of incorporation  
24 and a certificate of existence or a document of similar import duly  
25 authenticated by the secretary of state or other official having custody of  
26 corporate records in the state or country under whose law it is incorporated,  
27 and the nonrefundable fees required by law.

28          C. After determining that the application sets forth the information  
29 required by this section, does not use as the name of the corporation in this  
30 state a name that is in violation of section 10-1506 and appears in all other  
31 respects to conform to the requirements of this article, the commission shall  
32 file the application. The date of filing shall be the date on which the  
33 corporation is granted authority to transact business in this state.

34          D. Within sixty days after the commission ~~has approved~~ APPROVES the  
35 filing, a copy of the application shall be published. An affidavit  
36 evidencing the publication may be filed ~~within ninety days after approval by~~  
37 ~~the commission of the filing of the application~~ WITH THE COMMISSION.

38          E. A foreign corporation authorized to transact business in this state  
39 is subject to section 10-1623.

40          Sec. 12. Section 10-1510, Arizona Revised Statutes, is amended to  
41 read:

42          10-1510. Service on foreign corporation

43          A. The statutory agent appointed by a foreign corporation is an agent  
44 of the foreign corporation on whom process, notice or demand that is required

1 or permitted by law to be served on the foreign corporation may be served and  
2 that, when so served, is lawful personal service on the foreign corporation.

3 B. If a foreign corporation fails to appoint or maintain a statutory  
4 agent at the address shown on the records of the commission, the commission  
5 is an agent of the foreign corporation on whom any process, notice or demand  
6 may be served. Pursuant to the Arizona rules of civil procedure, service on  
7 the commission of any process, notice or demand shall be made by delivering  
8 to and leaving with the commission duplicate copies of the process, notice or  
9 demand, and the commission shall immediately cause one of the copies of the  
10 process, notice or demand to be forwarded by mail, addressed to the foreign  
11 corporation at its known place of business. Service made on the commission  
12 is returnable pursuant to applicable law relative to personal service on the  
13 corporation. If service is made on the commission, whether under this  
14 chapter or a rule of court, the foreign corporation has thirty days to  
15 respond in addition to the time otherwise provided by law.

16 C. The commission shall keep a permanent record of all processes,  
17 notices and demands served on it under this section and shall record in the  
18 record the time of the service and its action with reference to the service.

19 D. NOTICE REQUIRED TO BE SERVED ON A FOREIGN CORPORATION PURSUANT TO  
20 SECTION 10-1531 MAY BE SERVED:

21 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE FOREIGN CORPORATION  
22 OR, IF THE FOREIGN CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY  
23 AGENT, ADDRESSED TO ITS KNOWN PLACE OF BUSINESS IN THIS STATE OR ITS  
24 PRINCIPAL PLACE OF BUSINESS IN ITS STATE OR COUNTRY OF INCORPORATION.

25 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE  
26 ARIZONA RULES OF CIVIL PROCEDURE.

27 Sec. 13. Section 10-1520, Arizona Revised Statutes, is amended to  
28 read:

29 10-1520. Withdrawal of foreign corporation

30 A. A foreign corporation authorized to transact business in this state  
31 shall not withdraw from this state until the commission files its application  
32 for withdrawal.

33 B. A foreign corporation authorized to transact business in this state  
34 may apply to surrender the authority by delivering an application to the  
35 commission for filing. The application shall set forth:

36 1. The name of the foreign corporation and the name of the state or  
37 country under whose law it is incorporated.

38 2. That it is not transacting business in this state and that it  
39 surrenders its authority to transact business in this state.

40 3. That the foreign corporation revokes the authority of its statutory  
41 agent to accept service on its behalf and appoints the commission as its  
42 agent for service of process in any proceeding based on a cause of action  
43 arising during the time it was authorized to transact business in this state.

1           4. A mailing address to which the commission may mail a copy of any  
2 process served on the commission pursuant to its appointment as the foreign  
3 corporation's agent for service of process.

4           5. A commitment to notify the commission in the future of any change  
5 in the foreign corporation's mailing address.

6           C. The application for withdrawal is not considered complete until the  
7 commission has received a notice from the department of revenue to the effect  
8 that the tax levied under title 42, chapter 5, article 1 against the foreign  
9 corporation has been paid or until it is notified by the department of  
10 revenue that the applicant is not subject to the tax and further has received  
11 from the department of revenue its certificate issued pursuant to section  
12 43-1151.

13           D. The application for withdrawal is not considered complete until all  
14 fees, penalties and costs required to be paid under this chapter have been  
15 paid.

16           E. After determining that the application appears in all respects to  
17 conform to the requirements of this chapter and when all fees have been paid  
18 as are prescribed in this chapter, the commission shall file the application  
19 in the manner provided in section 10-120. On the filing of the application  
20 for withdrawal, the authority of the foreign corporation to transact business  
21 in this state ceases.

22           F. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY  
23 OF THE APPLICATION FOR WITHDRAWAL SHALL BE PUBLISHED. AN AFFIDAVIT  
24 EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

25           ~~F.~~ G. After withdrawal of the foreign corporation is effective,  
26 service of process on the commission under this section is service on the  
27 foreign corporation. On receipt of process, the commission shall mail a copy  
28 of the process to the foreign corporation at the most recent mailing address  
29 provided by the foreign corporation in the application or by notice to the  
30 commission.

31           Sec. 14. Section 10-2019, Arizona Revised Statutes, is amended to  
32 read:

33           10-2019. Annual report

34           The association shall make an annual report on forms furnished by the  
35 corporation commission. ~~, containing a general statement of its business~~  
36 ~~during the fiscal year showing:~~

37           ~~1. The number of members and amount of membership fees received.~~

38           ~~2. The total expense of operations.~~

39           ~~3. Its indebtedness or liabilities, and its balance sheets.~~

40           Sec. 15. Section 10-2077, Arizona Revised Statutes, is amended to  
41 read:

42           10-2077. Dissolution

43           A. A cooperative which has not commenced business may be dissolved by  
44 delivering to the corporation commission articles of dissolution, which shall  
45 be executed by the cooperative and which shall state:

- 1           1. The name of the cooperative.
- 2           2. The address of its principal office.
- 3           3. That the cooperative has not commenced business.
- 4           4. That any monies received by the cooperative, less any part
- 5           disbursed for expenses of the cooperative, have been returned or paid to
- 6           those entitled to the monies.
- 7           5. That no debt of the cooperative is unpaid.
- 8           6. That a majority of the incorporators elect that the cooperative be
- 9           dissolved.
- 10          B. A cooperative which has commenced business may be dissolved in the
- 11          following manner:
- 12           1. The proposition to dissolve shall be submitted to the members of
- 13          the cooperative at any annual or special meeting, the notice of which shall
- 14          set forth the proposition.
- 15           2. The members at the meeting shall approve, by the affirmative vote
- 16          of not less than a majority of all members of the cooperative, the
- 17          proposition that the cooperative be dissolved.
- 18           3. Upon approval, a certificate of election to dissolve, designated in
- 19          this subsection as the "certificate", shall be executed by the cooperative.
- 20           4. The certificate shall state:
- 21           (a) The name of the cooperative.
- 22           (b) The address of its principal office.
- 23           (c) That the members of the cooperative have duly voted that the
- 24          cooperative be dissolved.
- 25           5. The certificate shall be submitted to the corporation commission
- 26          for filing.
- 27           6. Upon filing the certificate with the corporation commission the
- 28          cooperative shall cease to carry on its business except to the extent
- 29          necessary for winding up, but its corporate existence shall continue until
- 30          articles of dissolution have been filed with the corporation commission.
- 31           7. The board of directors shall immediately cause notice of the
- 32          dissolution proceedings to be mailed to each known creditor of and claimant
- 33          against the cooperative, and such notice shall be published once a week for
- 34          two successive weeks in a newspaper of general circulation in the county in
- 35          which the principal office of the cooperative is located.
- 36           8. The board of directors shall wind up and settle the affairs of the
- 37          cooperative, collect monies owing to it, liquidate its property and assets,
- 38          pay and discharge its debts, obligations and liabilities, other than those to
- 39          patrons arising by reason of their patronage, and do all other things
- 40          required to wind up its business. After paying or discharging or adequately
- 41          providing for the payment or discharge of all its debts, obligations and
- 42          liabilities, other than those to patrons arising by reason of their
- 43          patronage, the board of directors shall distribute any remaining sums, first
- 44          to patrons for the pro rata return of all amounts standing to their credit by
- 45          reason of their patronage, and second to members for the pro rata repayment

1 of membership fees. Any sums then remaining shall be distributed among its  
2 members and former members in proportion to their patronage.

3 9. The board of directors shall thereupon authorize the execution of  
4 articles of dissolution, which shall be executed by the cooperative.

5 10. The articles of dissolution shall recite that they are executed  
6 pursuant to this article and shall state:

7 (a) The name of the cooperative.

8 (b) The address of its principal office.

9 (c) The date on which the certificate of election to dissolve was  
10 filed by the corporation commission.

11 (d) That there are no actions or suits pending against the  
12 cooperative.

13 (e) That all debts, obligations and liabilities of the cooperative  
14 have been paid and discharged or that adequate provision has been made for  
15 payment and discharge.

16 (f) That the preceding provisions of this subsection have been duly  
17 complied with.

18 11. THE ARTICLES OF DISSOLUTION PREPARED PURSUANT TO PARAGRAPH 10 OF  
19 THIS SUBSECTION SHALL BE DELIVERED TO THE COMMISSION FOR FILING. WITHIN  
20 SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE ARTICLES  
21 OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION  
22 MAY BE FILED WITH THE COMMISSION.

23 Sec. 16. Title 10, chapter 19, article 2, Arizona Revised Statutes, is  
24 amended by adding section 10-2084, to read:

25 10-2084. Electric cooperative nonprofit membership  
26 corporations; annual report

27 EACH ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION INCORPORATED  
28 PURSUANT TO THIS ARTICLE SHALL DELIVER TO THE COMMISSION FOR FILING AN ANNUAL  
29 REPORT AS REQUIRED BY SECTION 10-11622.

30 Sec. 17. Section 10-2143, Arizona Revised Statutes, is amended to  
31 read:

32 10-2143. Dissolution

33 A. A generation and transmission cooperative ~~which~~ THAT has not  
34 commenced business may dissolve voluntarily by delivering to the corporation  
35 commission articles of dissolution, executed and acknowledged on behalf of  
36 the generation and transmission cooperative by a majority of the  
37 incorporators, which shall state:

38 1. The name of the generation and transmission cooperative.

39 2. The address of its principal office.

40 3. The date of its incorporation.

41 4. That the generation and transmission cooperative has not commenced  
42 business.

43 5. That the amount, if any, actually paid in on account of membership  
44 fees, less any part disbursed for necessary expenses, has been returned to  
45 those entitled and that all easements have been released to the grantors.

1           6. That no debt of the generation and transmission cooperative remains  
2 unpaid.

3           7. That a majority of the incorporators ~~elects~~ ELECT that the  
4 generation and transmission cooperative be dissolved. The articles of  
5 dissolution shall be submitted to the corporation commission for filing as  
6 provided in this article.

7           B. A generation and transmission cooperative ~~which~~ THAT has commenced  
8 business may dissolve voluntarily and wind up its affairs in the following  
9 manner:

10          1. The proposition that the generation and transmission cooperative be  
11 dissolved must be submitted to the members of the generation and transmission  
12 cooperative at any meeting. The meeting notice shall state the proposition.  
13 The proposed voluntary dissolution is deemed to be approved on the  
14 affirmative vote of not less than two-thirds of those members acting through  
15 their voting delegates voting at the meeting.

16          2. On approval, a certificate of election to dissolve, designated the  
17 "certificate", shall be executed by the generation and transmission  
18 cooperative. The certificate shall BE SUBMITTED TO THE CORPORATION  
19 COMMISSION FOR FILING AS PROVIDED IN THIS ARTICLE AND SHALL state:

20           (a) The name of the generation and transmission cooperative.

21           (b) The address of its principal office.

22           (c) The names and addresses of its directors.

23           (d) The total number of voting delegates of the generation and  
24 transmission cooperative and the number of voting delegates who voted for and  
25 against the voluntary dissolution of the generation and transmission  
26 cooperative.

27          ~~The certificate shall be submitted to the corporation commission for~~  
28 ~~filing as provided in this article.~~

29          3. On the filing of the certificate with the corporation commission,  
30 the generation and transmission cooperative shall cease to carry on its  
31 business except as is necessary for the winding up of business, but its  
32 corporate existence continues until articles of dissolution have been filed  
33 with the corporation commission.

34          4. After the filing of the certificate with the corporation  
35 commission, the board of directors shall immediately mail notice of the  
36 winding up of proceedings to each known creditor and claimant and publish  
37 notice once a week for two successive weeks in a newspaper of general  
38 circulation in the county in which the principal office of the generation and  
39 transmission cooperative is located.

40          5. The board of directors has full power to wind up and settle the  
41 affairs of the cooperative and shall proceed to collect the debts owing to  
42 the generation and transmission cooperative, convey and dispose of its  
43 property and assets, pay, satisfy and discharge its debts, obligations and  
44 liabilities and do all other things required to liquidate its business and  
45 affairs and, after paying or adequately providing for the payment of all its

1 debts, obligations and liabilities, shall distribute the remainder of its  
2 property and assets among its members without priority in proportion to the  
3 aggregate patronage of each member during the seven years next preceding the  
4 date of filing the certificate, or, if the generation and transmission  
5 cooperative was not in existence for such period, during the period of its  
6 existence.

7 6. When all debts, liabilities and obligations of the generation and  
8 transmission cooperative have been paid and discharged or adequate provision  
9 has been made for them, and all the remaining property and assets of the  
10 generation and transmission cooperative have been distributed to the members  
11 pursuant to this section, the board of directors shall authorize the  
12 execution of articles of dissolution. The articles of dissolution shall  
13 state:

14 (a) The name of the generation and transmission cooperative.

15 (b) The address of the principal office of the generation and  
16 transmission cooperative.

17 (c) That the generation and transmission cooperative has previously  
18 delivered to the corporation commission a certificate of election to dissolve  
19 and the date on which the certificate was filed by the corporation  
20 commission.

21 (d) That all debts, obligations and liabilities of the generation and  
22 transmission cooperative have been paid and discharged or that adequate  
23 provision has been made for them.

24 (e) That all the remaining property and assets of the generation and  
25 transmission cooperative have been distributed among the members in  
26 accordance with this section.

27 (f) That there are no actions or suits pending against the generation  
28 and transmission cooperative.

29 ~~The articles of dissolution accompanied by proof of the publication required~~  
30 ~~in this subsection shall be submitted to the corporation commission for~~  
31 ~~filing as provided in this article.~~

32 7. THE ARTICLES OF DISSOLUTION PREPARED PURSUANT TO PARAGRAPH 6 OF  
33 THIS SUBSECTION SHALL BE DELIVERED TO THE COMMISSION FOR FILING. WITHIN  
34 SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE ARTICLES  
35 OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION  
36 MAY BE FILED WITH THE COMMISSION.

37 Sec. 18. Title 10, chapter 19, article 4, Arizona Revised Statutes, is  
38 amended by adding section 10-2150, to read:

39 10-2150. Nonprofit electric generation and transmission  
40 cooperative corporations; annual report

41 EACH NONPROFIT ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE  
42 CORPORATION INCORPORATED PURSUANT TO THIS ARTICLE SHALL DELIVER TO THE  
43 COMMISSION FOR FILING AN ANNUAL REPORT AS REQUIRED BY SECTION 10-11622.

1           Sec. 19. Section 10-3125, Arizona Revised Statutes, is amended to  
2 read:

3           10-3125. Filing duty of commission

4           A. At the time of delivery of a document to the commission, the  
5 commission shall stamp, endorse or attach the date and time of delivery of  
6 the document.

7           ~~B. If a document delivered to the commission for filing satisfies the~~  
8 ~~requirements of chapters 24 through 40 of this title, the commission shall~~  
9 ~~file it by stamping, otherwise endorsing or attaching "filed" on the original~~  
10 ~~document. Except as provided in sections 10-3503 and 10-11509, after filing~~  
11 ~~a document the commission shall deliver the document copy to the domestic or~~  
12 ~~foreign corporation or its representative.~~

13           B. THE COMMISSION SHALL FILE A DOCUMENT DELIVERED TO THE COMMISSION  
14 FOR FILING IF BOTH OF THE FOLLOWING APPLY:

15           1. THE COMMISSION DETERMINES THAT THE DOCUMENT SATISFIES THE  
16 REQUIREMENTS OF CHAPTERS 24 THROUGH 40 OF THIS TITLE.

17           2. THE CORPORATION FILING THE DOCUMENT OR ON WHOSE BEHALF THE DOCUMENT  
18 IS BEING FILED IS IN GOOD STANDING PURSUANT TO SECTION 10-3128.

19           C. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION IN  
20 WHICH EITHER THE CORPORATION HAS FILED ARTICLES OF DISSOLUTION OR THE  
21 CORPORATION HAS FILED A DOCUMENT THAT IS REQUIRED TO BRING THE CORPORATION  
22 INTO GOOD STANDING. THE COMMISSION SHALL DELIVER THE DOCUMENT COPY TO THE  
23 DOMESTIC OR FOREIGN CORPORATION OR ITS REPRESENTATIVE.

24           ~~C.~~ D. If the commission refuses to file a document, it shall return  
25 it or a copy of the original to the domestic or foreign corporation or its  
26 representative within five days after the determination of the refusal to  
27 file, together with a brief written explanation of the reason for the  
28 refusal.

29           ~~D.~~ E. The filing or refusing to file a document by the commission  
30 does not:

31           1. Affect the validity or invalidity of the document in whole or in  
32 part, except to the extent that filing is required to make the document  
33 valid.

34           2. Relate to the correctness or incorrectness of information contained  
35 in the document.

36           3. Create a presumption that the document is valid or invalid or that  
37 information contained in the document is correct or incorrect.

38           Sec. 20. Section 10-3203, Arizona Revised Statutes, is amended to  
39 read:

40           10-3203. Incorporation

41           A. Unless a delayed effective date is specified in the articles of  
42 incorporation, incorporation occurs and the corporate existence begins when  
43 the articles of incorporation and certificate of disclosure are delivered to  
44 the commission for filing.



1 B. The commission's filing of the articles of incorporation and  
2 certificate of disclosure is conclusive proof that the incorporators  
3 satisfied all conditions precedent to incorporation except in a proceeding by  
4 the state to cancel or revoke the incorporation or involuntarily dissolve the  
5 corporation pursuant to chapter 37 of this title.

6 C. Subject to section 10-3124, if the commission determines that the  
7 requirements of chapters 24 through 42 of this title for filing have not been  
8 met, the articles of incorporation and certificate of disclosure shall not be  
9 filed and the corporate existence terminates at the time the commission  
10 completes the determination. If the corporate existence is terminated  
11 pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

12 D. Within sixty days after the commission ~~has approved~~ APPROVES the  
13 filing, a copy of the articles of incorporation shall be published. An  
14 affidavit evidencing the publication may be filed with the commission ~~within~~  
15 ~~ninety days after approval by the commission of the filing of the articles of~~  
16 ~~incorporation.~~

17 Sec. 21. Section 10-3224, Arizona Revised Statutes, is amended to  
18 read:

19 10-3224. Recording and publication of articles of domestication

20 Within sixty days after the commission ~~has approved~~ APPROVES the filing  
21 of the articles of domestication, a copy of the articles of domestication  
22 shall be published. An affidavit evidencing the publication may be filed  
23 with the commission ~~within ninety days after the approval by the commission~~  
24 ~~of the filing of the articles of domestication.~~ If other laws require the  
25 domesticated corporation to record its articles of incorporation, the  
26 domesticated corporation shall also record the articles of domestication.

27 Sec. 22. Section 10-3504, Arizona Revised Statutes, is amended to  
28 read:

29 10-3504. Service on corporation

30 A. The statutory agent appointed by a corporation is an agent of the  
31 corporation on whom process, notice or demand that is required or permitted  
32 by law to be served on the corporation may be served and that, when so  
33 served, is lawful personal service on the corporation.

34 B. If a corporation fails to appoint or maintain a statutory agent at  
35 the address shown on the records of the commission, the commission is an  
36 agent of the corporation on whom any process, notice or demand may be served.  
37 Pursuant to the Arizona rules of civil procedure, service on the commission  
38 of any process, notice or demand for an entity that is registered pursuant to  
39 this title shall be made by delivering to and leaving with the commission  
40 duplicate copies of the process, notice or demand, and the commission shall  
41 immediately cause one of the copies of the process, notice or demand to be  
42 forwarded by mail, addressed to the corporation at its known place of  
43 business. Service made on the commission is returnable pursuant to  
44 applicable law relative to personal service on the corporation. If service  
45 is made on the commission, whether under this chapter or a rule of court, the

1 corporation has thirty days to respond in addition to the time otherwise  
2 provided by law.

3 C. The commission shall keep a permanent record of all processes,  
4 notices and demands served on it under this section and shall record in the  
5 record the time of the service and its action with reference to the service.

6 D. NOTICE REQUIRED TO BE SERVED ON A CORPORATION PURSUANT TO SECTION  
7 10-11421 OR 10-11422 MAY BE SERVED:

8 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE CORPORATION OR, IF  
9 THE CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO  
10 THE KNOWN PLACE OF BUSINESS REQUIRED TO BE MAINTAINED PURSUANT TO SECTION  
11 10-3501.

12 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE  
13 ARIZONA RULES OF CIVIL PROCEDURE.

14 Sec. 23. Section 10-11006, Arizona Revised Statutes, is amended to  
15 read:

16 10-11006. Articles of amendment

17 A. A corporation amending its articles of incorporation shall deliver  
18 to the commission for filing articles of amendment setting forth:

19 1. The name of the corporation.

20 2. The text of each amendment adopted.

21 3. The date of each amendment's adoption.

22 4. A statement that the amendment was duly adopted by act of the  
23 members or act of the board of directors and, if applicable, with the  
24 approval required pursuant to section 10-11030.

25 B. Within sixty days after the commission ~~has approved~~ APPROVES the  
26 filing, a copy of the articles of amendment shall be published. An affidavit  
27 evidencing the publication may be filed with the commission ~~within ninety~~  
28 ~~days after approval by the commission of the filing of the articles of~~  
29 ~~amendment.~~

30 Sec. 24. Section 10-11007, Arizona Revised Statutes, is amended to  
31 read:

32 10-11007. Restated articles of incorporation

33 A. A corporation's board of directors may restate its articles of  
34 incorporation at any time with or without approval by the members or any  
35 other person.

36 B. The restatement may include one or more amendments to the articles  
37 of incorporation. If the restatement includes an amendment requiring  
38 approval by the members or any other person, it shall be adopted as provided  
39 in section 10-11003.

40 C. If the board of directors submits a restatement for member action,  
41 the corporation shall notify each member entitled to vote of the proposed  
42 membership meeting in writing in accordance with section 10-3705. The notice  
43 shall also state that the purpose or one of the purposes of the meeting is to  
44 consider the proposed restatement and shall contain or be accompanied by a

1 copy or summary of the restatement that identifies any amendment or other  
2 change it would make in the articles.

3 D. If the board of directors submits a restatement for member action  
4 by written ballot or written consent, the material that solicits the approval  
5 shall contain or be accompanied by a copy or summary of the restatement that  
6 also identifies any amendment or other change it would make in the articles  
7 of incorporation.

8 E. A corporation restating its articles of incorporation shall deliver  
9 to the commission for filing articles of restatement setting forth the name  
10 of the corporation and the text of the restated articles of incorporation  
11 together with a certificate setting forth:

12 1. Whether the restatement contains an amendment to the articles  
13 requiring approval by any other person other than the board of directors and,  
14 if it does not, that the board of directors adopted the restatement.

15 2. If the restatement contains an amendment to the articles requiring  
16 approval by the members, a statement that such approval was obtained.

17 3. If the restatement contains an amendment to the articles requiring  
18 approval by a person whose approval is required pursuant to section 10-11030,  
19 a statement that such approval was obtained.

20 F. Duly adopted restated articles of incorporation supersede the  
21 original articles of incorporation and all amendments to them.

22 G. The commission may certify restated articles of incorporation, as  
23 the articles of incorporation currently in effect, without including the  
24 certificate information required by subsection E of this section.

25 H. Within sixty days after the commission ~~has approved~~ APPROVES the  
26 filing, a copy of the articles of restatement shall be published. An  
27 affidavit evidencing the publication may be filed with the commission ~~within~~  
28 ~~ninety days after approval by the commission of the filing of the articles of~~  
29 ~~restatement.~~

30 Sec. 25. Section 10-11008, Arizona Revised Statutes, is amended to  
31 read:

32 10-11008. Amendment pursuant to reorganization

33 A. A corporation's articles may be amended pursuant to this section  
34 without action by the board of directors or members or approval required  
35 pursuant to section 10-11030 to carry out a plan of reorganization ordered or  
36 decreed by a court of competent jurisdiction under a federal statute or a  
37 statute of this state if the articles of incorporation after amendment  
38 contain only provisions required or permitted by section 10-3202.

39 B. Before the date of entry of a final decree in the reorganization  
40 proceeding, the individual or individuals designated by the court plan shall  
41 deliver to the commission articles of amendment setting forth all of the  
42 following:

43 1. The name of the corporation.

44 2. The text of each amendment contained in the plan of reorganization.

1           3. The date of the court's order or decree confirming the plan of  
2 reorganization containing the articles of amendment.

3           4. The title of the reorganization proceeding in which the order or  
4 decree was entered.

5           5. A statement that the court had jurisdiction of the proceeding under  
6 federal or state statute.

7           C. This section does not apply after entry of a final decree in the  
8 reorganization proceeding even though the court retains jurisdiction of the  
9 proceeding for limited purposes unrelated to consummation of the  
10 reorganization plan.

11           D. Within sixty days after the commission ~~has approved~~ APPROVES the  
12 filing, a copy of the articles of amendment shall be published. An affidavit  
13 evidencing the publication may be filed with the commission ~~within ninety~~  
14 ~~days after approval by the commission of the filing of the articles of~~  
15 ~~amendment.~~

16           Sec. 26. Section 10-11105, Arizona Revised Statutes, is amended to  
17 read:

18           10-11105. Articles of merger or membership exchange;  
19 publication

20           A. After a plan of merger or membership exchange is approved by the  
21 board of directors and, if required by section 10-11103, by the members and  
22 any other persons, the surviving or acquiring corporation shall deliver to  
23 the commission for filing both:

24           1. The plan of merger or membership exchange.

25           2. Articles of merger or membership exchange setting forth:

26           (a) The names of the corporations that were parties to the merger or  
27 membership exchange.

28           (b) The name and address of the known place of business of the  
29 surviving or acquiring corporation.

30           (c) The name and address of the statutory agent of the surviving or  
31 acquiring corporation.

32           (d) Any amendments to the articles of incorporation of the surviving  
33 corporation.

34           (e) A statement that the amendment was duly adopted by act of the  
35 board of directors and, if required by section 10-11103, by act of the  
36 members and any other persons.

37           B. A merger takes effect at the effective time and date of the  
38 articles of merger, as determined pursuant to section 10-3123.

39           C. If the articles of merger include amendments to the articles of  
40 incorporation of the surviving corporation, the document required to be filed  
41 and published under this section shall be styled "articles of amendment and  
42 merger".

43           D. Within sixty days after the commission ~~has approved~~ APPROVES the  
44 filing, a copy of the articles of merger or membership exchange shall be  
45 published. An affidavit evidencing the publication may be filed with the

1 commission ~~within ninety days after approval by the commission of the filing~~  
2 ~~of the articles of merger or membership exchange.~~

3 Sec. 27. Section 10-11107, Arizona Revised Statutes, is amended to  
4 read:

5 10-11107. Merger or exchange with other entities

6 A. In addition to mergers or exchanges governed by sections 10-11101  
7 and 10-11102, a domestic corporation may merge or enter into an exchange of  
8 memberships and interests with one or more other entities incorporated,  
9 formed or organized under the laws of this state, any other state, the United  
10 States, any foreign country or any other jurisdiction, if:

11 1. In a merger, the merger is permitted by the law of the jurisdiction  
12 under whose laws the other entity is incorporated, formed or organized, and  
13 each other entity complies with that law in effecting the merger. For  
14 entities incorporated, formed or organized under the laws of this state, this  
15 section constitutes permission for the merger.

16 2. Each domestic nonprofit corporation approves the plan of merger or  
17 exchange in the manner required by section 10-11103, subsection B.

18 3. Each other entity approves the plan of merger or exchange in the  
19 manner required by the laws of the jurisdiction under whose laws it is  
20 organized.

21 4. Rights or securities of or interests in an entity that is a party  
22 to the merger or exchange may be exchanged for or converted into cash,  
23 property, obligations, rights or securities of or interests in the surviving  
24 or resulting entity.

25 B. The plan of merger or exchange shall set forth:

26 1. The name and jurisdiction of incorporation, formation or  
27 organization of each entity that plans to merge or exchange.

28 2. The name of the surviving or acquiring entity.

29 3. The terms and conditions of the merger or exchange.

30 4. The manner and basis, if any, of converting or exchanging the  
31 memberships, rights or securities of or interests in each entity that is a  
32 party to the merger or to be acquired in the exchange into or for  
33 obligations, memberships, rights or securities of or interest in the  
34 surviving or acquiring entity or into or for cash or other property in whole  
35 or in part.

36 C. The plan of merger or exchange may set forth:

37 1. In a merger, amendments to the articles or certificate of  
38 incorporation or organization, the certificate of limited partnership or  
39 similar organizational document of the surviving entity.

40 2. Other provisions relating to the merger or exchange.

41 D. After a plan of merger or exchange is approved as provided in  
42 subsection A, paragraphs 2 and 3 of this section, the surviving or acquiring  
43 entity shall deliver to the commission for filing both:

44 1. The plan of merger or exchange, or a statement that the plan of  
45 merger or exchange is on file at a place of business of the surviving or

1 acquiring entity, including the address of the place of business, and a  
2 statement that the surviving or acquiring entity will provide a copy of the  
3 plan of merger or exchange on request and without cost to any person who  
4 holds an interest in an entity that is a party to the merger or exchange.

5 2. The articles of merger or exchange setting forth:

6 (a) The names of the domestic nonprofit corporations and other  
7 entities that were parties to the merger or exchange.

8 (b) The name and a place of business of the surviving or acquiring  
9 entity.

10 (c) If the surviving entity in a merger is a domestic nonprofit or  
11 business corporation, any amendments to the articles of incorporation of that  
12 corporation.

13 3. If the surviving entity in a merger is not an entity organized  
14 under the laws of this state, both of the following:

15 (a) A statement that the surviving entity agrees that it may be served  
16 with process in this state in an action, suit or proceeding for the  
17 enforcement of any obligation of any entity that was organized under the laws  
18 of this state and that is a party to the merger and for the enforcement of  
19 any obligation of the surviving entity arising from the merger.

20 (b) A statement that the surviving entity irrevocably appoints the  
21 commission as its agent to accept service of process in the action, suit or  
22 proceeding described in subdivision (a) of this paragraph, including the  
23 address to which the commission shall mail a copy of the process.

24 E. The articles of merger shall serve as the articles or certificate  
25 of dissolution, termination or cancellation for an entity that is not the  
26 surviving entity in a merger.

27 F. A merger or exchange takes effect at the effective time and date of  
28 the articles of merger or exchange, as determined pursuant to section  
29 10-3123.

30 G. If the articles of merger include amendments to the articles of  
31 incorporation of the surviving corporation as described in subsection D,  
32 paragraph 2, subdivision (c) of this section, the document required to be  
33 filed and published under this section shall be styled "articles of amendment  
34 and merger".

35 H. Within sixty days after the commission ~~has approved~~ APPROVES the  
36 filing, a copy of the articles of merger or share exchange shall be  
37 published. An affidavit evidencing the publication may be filed with the  
38 commission ~~within ninety days after approval by the commission of the filing~~  
39 ~~of the articles of merger or share exchange.~~

40 I. When a merger takes effect:

41 1. Every other entity that is a party to the merger merges into the  
42 surviving entity and the separate existence of every entity except the  
43 surviving entity ceases.

44 2. The title to all real estate and other property owned by each  
45 entity that is a party to the merger is vested automatically in the surviving

1 entity without reversion or impairment, subject to any and all conditions to  
2 which the property was subject prior to the merger.

3 3. The surviving entity automatically has all of the liabilities of  
4 each entity that is a party to the merger.

5 4. A proceeding pending against any entity that is a party to the  
6 merger may be continued as if the merger did not occur or the surviving  
7 entity may be substituted in the proceeding for the entity whose existence  
8 ceased.

9 5. The organizational document of the surviving entity is amended to  
10 the extent provided in the articles of amendment and merger.

11 6. The memberships, rights or securities of or interests in each  
12 entity that is a party to the merger that are to be converted into  
13 obligations, memberships, rights or securities of or other interests in the  
14 surviving or any other entity or into cash or other property are converted,  
15 and the former holders of the memberships, rights, securities or interests  
16 are entitled only to the rights provided in the plan of merger.

17 J. If an exchange takes effect, the memberships, rights or securities  
18 of or other interests in each acquired entity are exchanged as provided in  
19 the plan, and the former holders of the membership, rights, securities or  
20 interests are entitled only to the exchange rights provided in the plan of  
21 exchange.

22 K. Unless the plan of merger or exchange provides otherwise, each  
23 entity that is a party to the merger or exchange may abandon the proposed  
24 merger or exchange before the effective date of the merger or exchange in a  
25 manner required by the laws of the jurisdiction in which the entity is  
26 organized.

27 L. This section does not limit the power of an entity to acquire all  
28 or part of the memberships of one or more classes of a domestic corporation  
29 through a voluntary exchange or otherwise.

30 Sec. 28. Section 10-11403, Arizona Revised Statutes, is amended to  
31 read:

32 10-11403. Articles of dissolution

33 A. At any time after dissolution is authorized, the corporation may  
34 dissolve by delivering to the commission articles of dissolution setting  
35 forth all of the following:

36 1. The name of the corporation.

37 2. The date dissolution was authorized.

38 3. A statement that the dissolution was duly authorized by an act of  
39 the members or an act of the board of directors and, if applicable, with the  
40 approval required pursuant to section 10-11402.

41 B. A corporation is dissolved on the effective date of its articles of  
42 dissolution.

43 C. The articles of dissolution shall not be considered complete until  
44 all fees, penalties and costs required to be paid under this title have been  
45 paid.

1 D. Within sixty days after the commission ~~has approved~~ APPROVES the  
2 filing, a copy of the articles of dissolution shall be published. An  
3 affidavit evidencing the publication may be filed with the commission ~~within~~  
4 ~~ninety days after approval by the commission of the filing of the articles of~~  
5 ~~dissolution.~~

6 E. The articles of dissolution are not complete until the commission  
7 has received a notice from the department of revenue that the tax levied  
8 under title 42, chapter 5, article 1 against the corporation has been paid,  
9 or until the department of revenue notifies the commission that the  
10 corporation is not subject to the tax and the commission has received from  
11 the department of revenue a certificate issued by the department of revenue  
12 pursuant to section 43-1151.

13 Sec. 29. Section 10-11503, Arizona Revised Statutes, is amended to  
14 read:

15 10-11503. Application for certificate of authority

16 A. A foreign corporation may apply for authority to conduct affairs in  
17 this state by delivering an application and a certificate of disclosure to  
18 the commission for filing. The certificate of disclosure shall contain the  
19 information set forth in section 10-3202, subsection D and is subject to the  
20 requirements of section 10-3202, subsection F. The application shall be  
21 executed by the corporation and shall set forth:

22 1. The name of the foreign corporation and, if its name is unavailable  
23 for use in this state, a corporate name that satisfies the requirements of  
24 section 10-11506.

25 2. The name of the state or country under whose law it is  
26 incorporated.

27 3. Its date of incorporation and period of duration.

28 4. The street address of its principal office in its state or country  
29 of incorporation.

30 5. The street address of the proposed known place of business of the  
31 corporation in this state and the name and street address of its proposed  
32 statutory agent in this state.

33 6. If its purpose or purposes are narrower than the transaction of any  
34 or all lawful affairs in which corporations may engage in the state or  
35 country under whose law it is incorporated, a statement of the limitations on  
36 its purpose.

37 7. The names and usual business addresses of its current directors and  
38 officers.

39 8. Whether the foreign corporation has members.

40 9. A brief statement of the character of business that the corporation  
41 initially intends actually to conduct in this state. This statement does not  
42 limit the character of business that the corporation ultimately conducts.

43 B. The foreign corporation shall deliver the application and the  
44 certificate of disclosure to the commission, together with a copy of its  
45 articles of incorporation, any amendments to the articles of incorporation



1 and a certificate of existence or a document of similar import duly  
2 authenticated by the secretary of state or other official having custody of  
3 corporate records in the state or country under whose law it is incorporated,  
4 and the nonrefundable fees required by law.

5 C. After determining that the application sets forth the information  
6 required by this section, does not use as the name of the corporation in this  
7 state a name that is in violation of section 10-11506 and appears in all  
8 other respects to conform to the requirements of this article, the commission  
9 shall file the application. The date of filing shall be the date on which  
10 the corporation is granted authority to transact business in this state.

11 D. Within sixty days after the commission ~~has approved~~ APPROVES the  
12 filing, a copy of the application shall be published. An affidavit  
13 evidencing the publication may be filed ~~within ninety days after approval by~~  
14 ~~the commission of the filing of the application~~ WITH THE COMMISSION.

15 E. A foreign corporation authorized to transact business in this state  
16 is subject to section 10-11623.

17 Sec. 30. Section 10-11510, Arizona Revised Statutes, is amended to  
18 read:

19 10-11510. Service on foreign corporation

20 A. The statutory agent appointed by a foreign corporation is an agent  
21 of the foreign corporation on whom process, notice or demand that is required  
22 or permitted by law to be served on the foreign corporation may be served and  
23 that, when so served, is lawful personal service on the foreign corporation.

24 B. If a foreign corporation fails to appoint or maintain a statutory  
25 agent at the address shown on the records of the commission, the commission  
26 is an agent of the foreign corporation on whom any process, notice or demand  
27 may be served. Pursuant to the Arizona rules of civil procedure, service on  
28 the commission of any process, notice or demand for an entity that is  
29 registered pursuant to this title shall be made by delivering to and leaving  
30 with the commission duplicate copies of the process, notice or demand, and  
31 the commission shall immediately cause one of the copies of the process,  
32 notice or demand to be forwarded by mail, addressed to the foreign  
33 corporation at its known place of business. Service made on the commission  
34 is returnable pursuant to applicable law relative to personal service on the  
35 foreign corporation. If service is made on the commission, whether under this  
36 chapter or a rule of court, the foreign corporation has thirty days to  
37 respond in addition to the time otherwise provided by law.

38 C. The commission shall keep a permanent record of all processes,  
39 notices and demands served on it under this section and shall record in the  
40 record the time of the service and its action with reference to the service.

41 D. NOTICE REQUIRED TO BE SERVED ON A FOREIGN CORPORATION PURSUANT TO  
42 SECTION 10-11531 MAY BE SERVED:

43 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE FOREIGN CORPORATION  
44 OR, IF THE FOREIGN CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY

1 AGENT, ADDRESSED TO ITS KNOWN PLACE OF BUSINESS IN THIS STATE OR ITS  
2 PRINCIPAL PLACE OF BUSINESS IN ITS STATE OR COUNTRY OF INCORPORATION.

3 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE  
4 ARIZONA RULES OF CIVIL PROCEDURE.

5 Sec. 31. Section 10-11520, Arizona Revised Statutes, is amended to  
6 read:

7 10-11520. Withdrawal of foreign corporation

8 A. A foreign corporation authorized to conduct affairs in this state  
9 shall not withdraw from this state until the commission files its application  
10 for withdrawal.

11 B. A foreign corporation authorized to conduct affairs in this state  
12 may apply to surrender the authority by delivering an application to the  
13 commission for filing. The application shall set forth:

14 1. The name of the foreign corporation and the name of the state or  
15 country under whose law it is incorporated.

16 2. That it is not conducting affairs in this state and that it  
17 surrenders its authority to conduct affairs in this state.

18 3. That the foreign corporation revokes the authority of its statutory  
19 agent to accept service on its behalf and appoints the commission as its  
20 agent for service of process in any proceeding based on a cause of action  
21 arising during the time it was authorized to conduct affairs in this state.

22 4. A mailing address to which the commission may mail a copy of any  
23 process served on the commission pursuant to its appointment as the foreign  
24 corporation's agent for service of process.

25 5. A commitment to notify the commission in the future of any change  
26 in the foreign corporation's mailing address.

27 C. The application for withdrawal is not considered complete until the  
28 commission has received a notice from the department of revenue to the effect  
29 that the tax levied under title 42, chapter 5, article 1 against the foreign  
30 corporation has been paid or until it is notified by the department of  
31 revenue that the applicant is not subject to the tax and further has received  
32 from the department of revenue its certificate issued pursuant to section  
33 43-1151.

34 D. The application for withdrawal is not considered complete until all  
35 fees, penalties and costs required to be paid under this chapter have been  
36 paid.

37 E. After determining that the application appears in all respects to  
38 conform to the requirements of this chapter and when all fees have been paid  
39 as are prescribed in this chapter, the commission shall file the application  
40 in the manner provided in section 10-3120. On the filing of the application  
41 for withdrawal, the authority of the foreign corporation to transact business  
42 in this state ceases.

43 F. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY  
44 OF THE APPLICATION FOR WITHDRAWAL SHALL BE PUBLISHED. AN AFFIDAVIT  
45 EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

1        ~~F.~~ G. After the withdrawal of the corporation is effective, service  
2 of process on the commission under this section is service on the foreign  
3 corporation. On receipt of process, the commission shall mail a copy of the  
4 process to the foreign corporation at the mailing address set forth in its  
5 application for withdrawal.

6        Sec. 32. Section 29-603, Arizona Revised Statutes, is amended to read:

7        29-603. Reservation of name

8        A. The exclusive right to use a name may be reserved by:

9        1. A person intending to organize a limited liability company under  
10 this chapter and to adopt the name.

11        2. A domestic limited liability company or any foreign limited  
12 liability company registered in this state that intends to adopt the name.

13        3. A foreign limited liability company intending to register in this  
14 state and to adopt the name.

15        4. A person intending to organize a foreign limited liability company  
16 and to have it registered in this state and to adopt the name.

17        B. The reservation shall be made by filing with the commission an  
18 application that is executed by the applicant or an authorized agent of the  
19 applicant to reserve a specified name. If the commission finds that the name  
20 is available for use by a domestic or foreign limited liability company, it  
21 shall reserve the name for the exclusive use of the applicant for a  
22 NONRENEWABLE period of one hundred twenty days from and after the date the  
23 application is filed with the commission.

24        C. The right to the exclusive use of a reserved name may be  
25 transferred to another person by filing with the commission a notice of the  
26 transfer that is executed by the applicant or an authorized agent of the  
27 applicant for whom the name was reserved and that specifies the name to be  
28 transferred and the name and address of the transferee. The transfer shall  
29 not extend the term during which the name is reserved.

30        D. The reservation of a specified name may be cancelled by filing with  
31 the commission a notice of cancellation that is executed by the applicant or  
32 an authorized agent of the applicant and that specifies the name reservation  
33 to be cancelled and the name and address of the applicant.

34        Sec. 33. Section 29-609, Arizona Revised Statutes, is amended to read:

35        29-609. Purpose; insurance business

36        A. Except as provided in subsection B of this section, a limited  
37 liability company may be organized under this chapter and may conduct or  
38 promote business and other activities for any lawful purpose, except banking.

39        B. A limited liability company shall not ~~conduct or promote any~~  
40 ~~insurance business~~ BE AN INSURER AS DEFINED IN SECTION 20-104 unless as a  
41 title insurance agent as defined in section 20-1562 or as a pure captive  
42 insurer as defined in section 20-1098 who is expressly authorized by the  
43 director of the department of insurance pursuant to title 20. For the  
44 purposes of title insurance transactions or pure captive insurance business,  
45 the members of the limited liability company are individually responsible,

1 equally and ratably, and not one for another, for all contracts, debts and  
2 engagements of the limited liability company, to the extent of the amount of  
3 each member's initial investment in the limited liability company.

4 Sec. 34. Section 29-633, Arizona Revised Statutes, is amended to read:

5 29-633. Amendment of articles of organization; restatement;  
6 publication

7 A. The articles of organization of a limited liability company are  
8 amended by filing with the commission the articles of amendment, signed on  
9 behalf of the limited liability company by a manager if management of the  
10 limited liability company is vested in one or more managers or by a member if  
11 management of the limited liability company is reserved to the members. The  
12 articles of amendment shall set forth:

13 1. The name of the limited liability company.

14 2. The text of the amendment to the articles of organization.

15 B. A limited liability company shall amend its articles of  
16 organization if there is a statement in the articles of organization that was  
17 false or erroneous when it was made or within thirty days after the  
18 occurrence of any of the following events:

19 1. Any arrangements or facts have changed making the articles of  
20 organization inaccurate in any respect other than those changes required to  
21 be set forth in a statement delivered to the commission pursuant to section  
22 29-605.

23 2. Management of the limited liability company is reserved to the  
24 members and there is a change in the persons who are members.

25 3. Management of the limited liability company is vested in a manager  
26 or managers and there is a change in the persons who are managers or in the  
27 members who own a twenty per cent or greater interest in the capital or  
28 profits interest of the limited liability company.

29 C. A limited liability company may amend its articles of organization  
30 if its articles of organization as amended contain only provisions that may  
31 be lawfully contained in the articles of organization at the time of making  
32 the amendment. In particular and without limitation on the general power of  
33 amendment, a limited liability company may amend its articles of organization  
34 to:

35 1. Change the name of the limited liability company.

36 2. Change, enlarge or diminish the purposes of the limited liability  
37 company.

38 3. If management is reserved to the members of a limited liability  
39 company, vest management of the limited liability company in one or more  
40 managers.

41 4. If management is vested in one or more managers, vest management of  
42 the limited liability company in the members.

43 D. A limited liability company may restate its articles of  
44 organization. Restated articles of organization shall be executed and filed  
45 in the same manner as articles of amendment. Restated articles of

1 organization shall be specifically designated as such in the heading and  
2 shall state either in the heading or in an introductory paragraph the limited  
3 liability company's present name and, if it has been changed, all of its  
4 former names.

5 E. A limited liability company that has not amended its articles of  
6 organization as required by this section may not maintain an action upon or  
7 on account of a contract or transaction made in the name of the limited  
8 liability company in any court of this state until it has first amended its  
9 articles of organization as required by this section. No person has any  
10 liability because an amendment to articles of organization has not been filed  
11 to reflect the occurrence of any event prescribed by subsection B of this  
12 section if the amendment is filed within the thirty-day period specified in  
13 subsection B of this section.

14 F. Within sixty days after the commission ~~has approved~~ APPROVES the  
15 filing, A COPY of the articles of amendment or restated articles of  
16 organization ~~there~~ shall be published in a newspaper of general circulation  
17 in the county of the known place of business for three consecutive  
18 publications ~~a copy of the articles of amendment or restated articles of~~  
19 ~~organization.~~ An affidavit evidencing publication ~~shall~~ MAY be filed ~~within~~  
20 ~~ninety days after approval by~~ WITH the commission ~~of the filing of the~~  
21 ~~amendment of the articles of organization.~~ Publication is not required if  
22 amendments to the articles of organization ~~are made solely in relation to~~  
23 ~~changes in managers or members of the limited liability company or changes~~  
24 ~~made pursuant to section 29-605~~ OR RESTATED ARTICLES OF ORGANIZATION ONLY  
25 CHANGE ANY OF THE FOLLOWING:

- 26 1. THE NAME OR ADDRESS OF MEMBERS OR MANAGERS.
- 27 2. THE KNOWN PLACE OF BUSINESS ADDRESS.
- 28 3. THE NAME OR ADDRESS OF THE STATUTORY AGENT.

29 Sec. 35. Section 29-634, Arizona Revised Statutes, is amended to read:  
30 29-634. Filing with the commission

31 A. ~~One copy of~~ The signed original articles of organization, THE  
32 application for a certificate of registration or any other document required  
33 to be filed pursuant to this chapter shall be delivered to the commission.  
34 The commission shall file a document delivered to the commission for filing  
35 if all of the following apply:

36 1. The commission determines that the document conforms to the filing  
37 provisions of this chapter.

38 2. The limited liability company filing the document or on whose  
39 behalf the document is being filed, ~~is~~ is in good standing within the meaning  
40 of section 29-614.

41 3. All fees required pursuant to section 29-851 have been paid.

42 B. The commission may file a document delivered to the commission IN  
43 WHICH EITHER THE LIMITED LIABILITY COMPANY HAS FILED ARTICLES OF TERMINATION  
44 OR THE LIMITED LIABILITY COMPANY HAS FILED A DOCUMENT that is required to

1 bring the limited liability company into good standing. The commission  
2 shall:

- 3 1. Endorse, stamp or attach on the ~~signed~~ original ~~and duplicate copy~~  
4 DOCUMENT the word "filed" and the date and time of its acceptance for filing.
- 5 2. Retain the signed original DOCUMENT in the commission's files.
- 6 3. Return a ~~duplicate~~ copy OF THE FILED DOCUMENT to the person who  
7 filed it or the person's representative.

8 C. If the commission is unable to make the determination required for  
9 filing by subsection A of this section at the time any documents are  
10 delivered for filing, the documents are deemed to have been filed at the time  
11 of delivery if the commission subsequently determines either of the  
12 following:

- 13 1. The documents as delivered conform to the filing provisions of this  
14 chapter.
- 15 2. Within thirty days after notification of nonconformance is given by  
16 the commission to the person who delivered the documents for filing or the  
17 person's representative, the documents are brought into conformance.

18 D. A document may specify a delayed effective time or date, or both,  
19 and is effective at that specified time and date. If the document specifies  
20 a delayed effective date but does not specify the time, the document is  
21 effective on the specified date at 12:01 a.m. mountain standard time. A  
22 delayed effective date for a document may not be later than the ninetieth day  
23 after the date the document is delivered to the commission for filing.

24 E. If the filing and determination requirements of this chapter are  
25 not satisfied completely within the time prescribed in subsection ~~B~~ C,  
26 paragraph 2 of this section, the documents shall not be filed.

27 Sec. 36. Section 29-635, Arizona Revised Statutes, is amended to read:

28 29-635. Formation of limited liability company

29 A. Except as provided in section 29-634, subsection D, a limited  
30 liability company is formed when the articles of organization are delivered  
31 to the commission for filing, even if the commission is unable to make the  
32 determination required for filing by section 29-634, subsection A at the time  
33 of delivery. If the articles of organization, as delivered to the  
34 commission, do not conform to the filing provisions of this chapter and are  
35 not brought into conformance within the time period prescribed by section  
36 29-634, subsection C, paragraph 2, the existence of the limited liability  
37 company terminates at the end of the time period.

38 B. A copy of the articles of organization that is filed with the  
39 commission and that is stamped "filed" and marked with the filing date is  
40 conclusive evidence that all conditions precedent required to be performed by  
41 the organizers have been complied with and that the limited liability company  
42 has been legally organized and formed under this chapter. A limited  
43 liability company continues perpetually unless otherwise provided in its  
44 articles of organization or operating agreement or until the limited

1 liability company is dissolved and terminated in accordance with this  
2 chapter.  
3 C. Within sixty days after the commission ~~has approved~~ APPROVES the  
4 filing, there shall be published in a newspaper of general circulation in the  
5 county of the known place of business, for three consecutive publications, a  
6 notice of the filing of such articles of organization consisting of the  
7 information required in section 29-632, subsection A, paragraphs 1, 2, 3, 5  
8 and 6. An affidavit evidencing publication may be filed ~~within ninety days~~  
9 ~~after approval by the commission of the filing of the articles of~~  
10 ~~organization~~ WITH THE COMMISSION.